



NEWS RELEASE

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BUSINESSES HURT BY RESERVIST CALL-UPS MAY APPLY FOR SBA ECONOMIC INJURY DISASTER LOANS

WASHINGTON – Small businesses that employ military reservists who were called to active duty by President Bush in response to the terrorist attacks on the World Trade Center and the Pentagon may qualify for Military Reservist Economic Injury Disaster Loans (MREIDL). These disaster loans are available from the U. S. Small Business Administration (SBA) to small businesses during a period of military conflict.

The MREIDL program will provide loan funds to eligible small businesses to cover operating expenses that would have been met, but cannot because an essential employee was called to active duty in his or her role as a military reservist.

“Communities across the nation are going to feel the loss of the thousands of men and women who have courageously answered the call to support the nation’s military effort,” said SBA Administrator Hector V. Barreto.

“The loss of a key employee, even for a short period of time, can financially devastate a small company or even cause it to fail. This low-interest loan program can provide the money necessary to support these small businesses until the reservist is able to return to the business,” Barreto said.

Small businesses may apply for MREIDLs of up to \$1.5 million if they have been financially impacted due to the loss of a key employee. These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that cannot be paid. The interest rate on these loans is 4 percent, with a maximum term of 30 years. The SBA determines the amount of economic injury, the term of each loan and the payment amount, based on the financial circumstances of each borrower.

The filing period begins the date the essential employee is ordered to active duty and ends 90 days after the date the employee is discharged from active duty.

Businesses interested in applying for an economic injury disaster loan can contact one of the four SBA disaster area offices to obtain an application. Below are the phone numbers for the offices, and the states each office serves:

Niagara Falls, NY 14303
1-800-659-2955

Serves: Connecticut, District of Columbia, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands, Virginia and West Virginia

Atlanta, GA 30308
1-800-359-2227

Serves: Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Minnesota, Mississippi, North Carolina, Ohio, South Carolina, Tennessee and Wisconsin

Ft. Worth, TX 76155
1-800-366-6303

Serves: Arkansas, Colorado, Iowa, Kansas, Louisiana, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah and Wyoming

Sacramento, CA 95853-4795
1-800-488-5323

Serves: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon and Washington

The SBA makes low-interest disaster loans to homeowners, renters and non-farm businesses of all sizes. Homeowners may borrow up to \$200,000 to repair or replace damaged real estate. Individuals may borrow up to \$40,000 to cover losses to personal property.

Non-farm businesses and non-profit organizations of any size may apply for up to \$1.5 million to repair or replace business assets. Small businesses that suffered economic losses may apply for a working capital loan of up to \$1.5 million, even if the property was not physically damaged.

To find out more about the SBA's disaster assistance program, which includes a link to FEMA and the American Red Cross, visit the web site at www.sba.gov/disaster.

For more information about all of the SBA's programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive Web site at www.sba.gov.

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